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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SECRET (XGDS)

July 22, 1974

National Security Decision Memorandum 261

TO: The Secretary of Treasury
 The Secretary of Defense
 The Secretary of Commerce
 The Chairman, Atomic Energy Commission
 The Director of Central Intelligence
 The Deputy Secretary of State
 The Director, Arms Control and Disarmament Agency
 The Assistant to the President for International
 Economic Policy

SUBJECT: Nuclear Sales to the PRC

The President has reviewed the report of the Under Secretaries Committee of February 14, 1974 on Nuclear Sales to the People's Republic of China (PRC). He has approved the recommendations that:

- The PRC should be informed that we are prepared to negotiate an Agreement for Cooperation Concerning Civil Uses of Atomic Energy which would authorize the export of U.S. light-water reactors and slightly enriched uranium. The Agreement would call for the application of bilateral safeguard rights which would be suspended in favor of those administered by the International Atomic Energy Agency (IAEA) if the PRC joins that organization. (The U.S. safeguards would again take effect should the PRC withdraw or IAEA safeguards cease to be effective.)
- The Joint Committee on Atomic Energy and other interested Congressional committees should be informed of our offer to the PRC at such time as the Chinese express interest in negotiating an Agreement for Cooperation.
- Following Congressional notifications, interested U.S. companies should be authorized to proceed with discussions with the PRC on the possible sale of light-water reactors and slightly enriched uranium fuel.

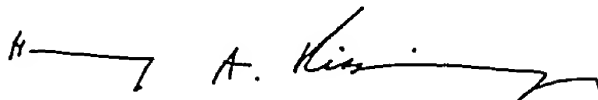
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-- Nuclear exports to Communist countries by the U. S. or other COCOM countries should continue to be treated on a case-by-case basis, and U. S. or IAEA safeguard standards and procedures for equipment or materials transferred or produced therefrom shall be applied to all recipient countries.

A handwritten signature in dark ink, appearing to read "H. A. Kissinger", with a stylized flourish at the end.

Henry A. Kissinger

cc: Chairman, Joint Chiefs of Staff
Counsellor to the President
for Economic Policy

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